

Beyond the numbers

How finance's use of AI is transforming operations

Finance plays a pivotal role in providing data and analysis that drives the business forward. It's a role that has taken on increased importance in the age of artificial intelligence (AI). Finance's traditional capabilities combined with advances in technology make this the ideal time for finance to become a strategic partner to various stakeholders, from the board and the executive team down to department heads.

“By merging its core competencies with cutting-edge technology, finance is poised to serve as a strategic collaborator to everyone from the boardroom to departmental leadership.”

– **Katie Hilkemeyer**, Audit Sector
Leader for Technology, KPMG LLP

Here is a selection of use cases that illustrate finance's potential for company-wide impact:

Advanced financial forecasting for executives and stakeholders

AI in finance can be a wellspring of intelligent forecasting that enables executives and other stakeholders to predict financial performance, assess risks, and inform strategic decisions.

Accurate and timely forecasts aid both budgeting and strategic planning. Leaders have a better idea of how to allocate resources and set achievable goals. By analyzing forecasting data, finance can support leaders with trends and patterns that can be exploited in planning. A chief financial officer (CFO) interpreting future data as a downswing in business can alert other departments to take action to shore up sales and revenue.

Automate business-to-business transactions to aid accounting and finance

AI in finance benefits the accounting field in numerous ways. By automating repetitive tasks like data entry, invoicing, and reconciliations, accounting functions are faster and more accurate.

AI also empowers accountants with advanced analytical capabilities, enabling them to gain deeper insights into financial data and make more informed decisions. With AI streamlining and elevating the accounting function, accountants can take on higher-level tasks.

Faster business intelligence for marketing, sales, and investor relations

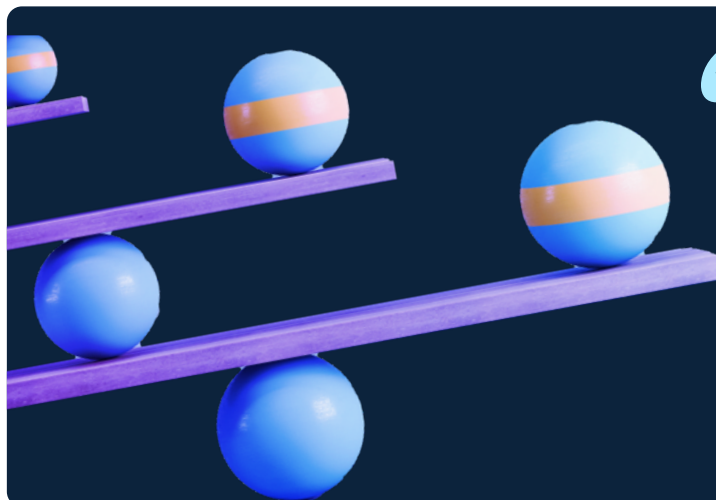
AI tools equip finance to produce business intelligence that aids decision-making in various areas of the company, from marketing and sales to investor relations.

For example, machine learning and predictive analytics provide marketing with insights on customer behavior and market trends. Sales can leverage generative AI (GenAI) for proposals or query the tool to access lessons from past negotiations. AI in finance supports investor relations to draft documents and memos for investor meetings, analyst briefings, and quarterly earnings calls.

Enhance inventory, improve forecasting, and predict disruptions for supply chains

Finance in AI is well positioned to aid the chief supply chain officer and their teams. The same AI tool for intelligent forecasting can help supply chains better forecast demand, improve inventory levels, and report on potential disruptions before they occur.

Imagine a model that leverages AI (i.e., predictive analytics, machine learning) for payment allocations. As a payment engine, it can understand data from different sources, including information from markets and regulations. Now infuse the model with forecasting accuracy based on different external conditions. Users can now predict sales fluctuations in a forward-looking report or query the model about the associated risks or cost-out scenarios in the calculation.



“AI in SAP Analytics Cloud not only navigates and informs but also correlates data for precise decision-making, ensuring you have the data insights needed to make the right choice.”

– Vidya Gugnani, SAP Business AI
Partner Product Management

Enhance the efficiency, accuracy, and compliance of the tax department

A KPMG AI in Finance report in December 2024 found that US companies see tax operations and reporting requirements as the biggest area for planning at 43 percent.¹

AI's ability to process vast amounts of data with precision is a game changer for tax operations. Automating processes is more accurate and provides cost savings. By using AI to manage routine tasks and deliver actionable insights, tax departments are taking a step forward in modernizing their operations and advance tax compliance in an increasingly digital world.

How finance leaders compare on their AI journey

78%

of companies have made the most progress piloting or using AI for financial planning and almost 100 percent are expected to use it in 3 years.ⁱ

92%

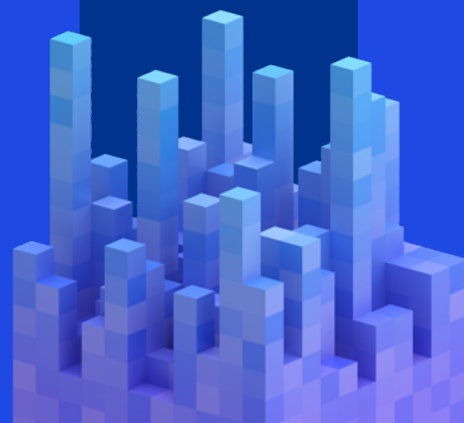
of companies report their finance function's AI initiatives are meeting or exceeding their return on investment expectations.^j

80%

of technology, media, and telecommunications (TMT) leaders expect a moderate-to-significant increase in GenAI investments over the next three years.ⁱⁱ

85%

of leaders say quality of organizational data is the biggest anticipated challenge to AI strategies in 2025.ⁱⁱⁱ



Challenges and approaches when leveraging finance as a strategic partner

Major challenges occur with any AI initiative, from data quality and cybersecurity concerns to upskilling/workforce considerations and even cultural resistance. AI in the workplace isn't going away and will have an even bigger impact on the workday than the computer did at every desk.

Here we break down each challenge and provide an approach.

Data quality

Challenge

Data quality is a top issue. Companies have structured and unstructured data in disparate silos. Data often has missing entries, duplicate records, and other inconsistencies. Until data is cleaned up, AI can't happen.

Approach

Most companies intent on improving data quality develop a centralized data repository. This breaks down silos and makes data available to all. Another tool from the AI toolbox is a data governance framework. The framework adds guardrails, so use is controlled in terms of access and usage.

Cybersecurity concerns

Challenge

Finance has a leg up on cybersecurity given the industry is regulated, and AI must adhere to various laws and regulations for handling sensitive data. Still, threats can occur like data poisoning, data leakage, and data integrity attacks.

Approach

The CFO should coordinate with the chief information security officer, chief information officer, and chief data officer on matters of information technology security and data at risk. Implementing encryption and access controls can go a long way in protecting sensitive data. Also, regular security audits and penetration testing can identify vulnerabilities while comprehensive defense systems and threat detection tools can help keep pace with the latest threats.

“AI presents an internal challenge in how work responsibilities are distributed. Ultimately, I think that it will create new opportunities for everyone.”

– Abraham Ogoudou, Sloan Fellow at Stanford University, Graduate School of Business

Upskilling and work distribution

Challenge

AI in finance requires a shift in the skills and responsibilities of employees. Some tasks will give way to automation while new tasks emerge that may or may not be filled by current staff. Knowing this, act now.

Approach

Commit to an AI training program that accommodates different roles and instills in employees the use of AI tools in their daily routines. Showcasing key employees and celebrating how they put AI to work can be effective. Still, it takes leaders who can create a safe environment for exploration and experimentation.

Cultural resistance

Challenge

Adopting AI within a company that's been around for decades is one of the biggest challenges. Resistance to change is a fundamental aspect of human behavior. People fear losing their jobs or there is a strong sense of how things are done. For CFOs to elevate finance as a strategic partner, look for case studies and examples beyond the back-office function.

Approach

Revisit your company history. At one time, there was risk-taking and pivotal moments. Link the history of the company to digital transformation. The other big factor is to secure top-down support—executives who can serve as champions. Also, embed power users in various teams to share AI-based best practices. As the CFO and a champion, your goal is to support while helping build a culture of continuous learning, collaboration, and innovation.

Take the next step

Embracing AI in finance enhances operational efficiency and accuracy, elevates finance to be a strategic partner to other departments, and drives the organization's success in the digital age.

The next step should build on the success of AI adoption. Organizations should start with pilot programs to test AI solutions, identify issues early, and build employee confidence. To scale AI initiatives, ensure data quality through a centralized data repository and a data governance model like the KPMG Trusted AI Framework.

Effective collaboration with other C-suite executives is crucial for addressing a myriad of concerns. Finance leaders should focus on upskilling and work distribution through AI training programs, as well as link AI adoption to the company's history of innovation to create a positive environment for change—a change that will see finance become a stronger, more powerful voice for the company.

You can with AI

KPMG LLP is a leader in finance transformation, helping organizations modernize their finance and accounting functions with emerging technologies. With a workforce-centric mindset and a role-based strategy and adoption approach, we help clients accelerate adoption and achieve measurable value.

From strategy and use case development to vendor selection and ongoing support, KPMG enables your company to unlock AI's transformational potential. Organizational change of this magnitude requires new processes and a cultural shift. We can help you navigate the associated risks using our Trusted AI framework. Above all, think big and act boldly. You can with AI.

ⁱ "AI in finance report: US report," KPMG LLP, December 2024

ⁱⁱ "GenAI: A game-changer for TMT organizations," KPMG LLP, September 2024

ⁱⁱⁱ "KPMG AI Quarterly Pulse Survey," KPMG LLP, January 2025

“Because innovation never sleeps, just ahead are AI agents that break up a complex process into very discrete steps. Agents can act alone, collaborate with employees, or govern other agents. Agentic networks are going to be top of mind for organizations in 2025.”

– Ed Moran, Managing Director, Audit Technology - Innovation, KPMG LLP

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